

OMB Revised Administrative, Cost, Audit Rules Governing All Federal Grants



THE SUPER CIRCULAR – “OMNI CIRCULAR”

THE ONE-STOP SHOP FOR FEDERAL ASSISTANCE

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Key Dates:

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- Feb 1, 2013 → NPRM
- Dec 19, 2013 → Final
- Dec 26, 2013 → Federal Register
- April 2014 → New OMB Compliance Supplement
- June 26, 2014 → ED Draft EDGAR Changes
- Dec 26, 2014 → Final EDGAR Published

Date of Applicability of Revised Rules

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- OMB stated on 12/20/13 ➡ All Drawdowns, after December 26, 2014

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What is covered?

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- A-102 – Administrative Rules State / Local
– Part 80 – EDGAR
- A-110 – Administrative Rules
Postsecondary – Part 74 – EDGAR
- A-87 – Cost Rules – State / Local
- A-21 – Cost Rules – Rules – Postsecondary
- A-122 – Cost Rules – Nonprofit
- A-133 – Audit Rules (>\$750,000)

Who is covered?

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- All “nonfederal entities” expending federal awards



Reasons for the Change?

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1. Simplicity
2. Consistency
3. Obama Executive Order on Regulatory Review
 - Increase Efficiency
 - Strengthen Oversight

Who crafted the changes?

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- “COFAR”
 - Council on Financial Assistance Reform, and Key Stakeholders
 - www.cfo.gov/cofar

Inconsistency Between Program Statute and Circular

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- If federal program statute or regulation differs from Omni Circular, then statute / regulation governs.

Most Significant Change

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- Shift from focus on *Compliance* to focus on PERFORMANCE!!!



Performance

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- Auditors (A-133 + Federal OIG) and Monitors (Federal and State Pass Through) must look more to “outcomes” than to “process”

Flexibility

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- The “Omni Circular” adds significant flexibility to way grantee / subgrantee can adopt their own processes

Structure of Omni-Circular (p. 78608)

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2 CFR PART 200

(p. 78608)

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- Subpart A – Definitions
- Subpart B – General Provisions
- Subpart C – Pre Award Requirements
- Subpart D – Post Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirments

Key Definitions

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- Cognizant Agency for Audit 200.18 (78611)
- Cognizant Agency for Indirect 200.19 (78611)
- Computing Devices 200.20 (78612)
- Cooperative Audit Resolution 200.25 (78612)
- Cost Objective 200.28 (78612)

- Internal Control Over Compliance 200.52 (78615)
- Major Program 200.65 (78615)
- Micro Purchase 200.67 (78615)
- Modified Total Direct Cost 200.68 (78615)
- Non-Federal Entity 200.69 (78615)

- Effective Date
 - 200.110 (78621)

- Conflict of Interest
 - 200.112 (78621)

- Mandatory Disclosures
 - 200.113 (78621)

- Financial Management Requirement
200.302 (78624-5)
- Compare to 34 CFR 80.20 (b)

- Internal Controls
 - 200.303 (78625)

- Payment
 - 200.305 (78625)

- Program Income
 - 200.307 (78627)

- Revision of Budget and Program Plans

- 200.308 (78628)

- Period of Performance
 - 200.309 (78629)

- Insurance Coverage
 - 200.311 (78629)

- Equipment
 - 200.313 (78629)

- Supplies
 - 200.314 (78630)

Procurement (78631)

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- By states 200.317
- General Procurement Standards 200.318
- Competition 200.319
- Methods of Procurement 200.320
- Cost and Price 200.323

Monitoring (78635)

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- Contract vs. Grant 200.330
- Pass Through Requirements
200.331

Record Retention (78636)

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- Retention 200.333
- Collection and Transmission
200.335
- Access 220.336

Non-Compliance (78637)

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- Remedies 200.328
- Termination 200.339
- Notification 200.340
- Appeals 200.341
- Suspension 200.342
- Collection of Amounts Due 200.345

Subpart E – Cost Principles (78639)

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- Policy Guide 200.400 (78639)

Basic Considerations (78640)

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- Composition of Costs 200.402
- Allowability 200.403
- Reasonable Costs 200.404
- Allocability 200.405
- Applicable Credits 200.406
- Prior Written Approval 200.407

Direct and Indirect Costs (78642)

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- Composition of Costs 200.412
- Direct Costs 200.413
- Indirect Costs 200.414

- False Claims Certifications
 - 200.415 (78643)

- Promotional Costs
 - 200.421 (78645)

- Personnel Compensation
 - 200.430 (78646)

- Conferences

- 200.432 (78650)

- Costs of Appeals
 - 200.435 (78651)

- Employee Morale
 - 200.437 (78652)

- Memberships
 - 200.454 (78657)

- Student Activity Costs
 - 200.469 (78660)

- Travel Costs

- 200.474 (78661)

- Audits

- 200.500 (78662)

- Audit Requirements
 - 200.501 (78662)

- Relation to Other Audits
 - 200.503 (78663)

- Audit Findings Follow-Up
 - 200.511 (78665)

- Questioned Costs
 - 200.516 (78669)

- Major Program Determination
 - 200.518 (78670)

Questions?

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